

The Macomb Daily

Film company eyes Warren for studio; 350 jobs expected within six months

Page 1A - October 26, 2010

By Norb Franz - Macomb Daily Staff Writer

A Los Angeles-based movie and television company plans to open a studio in Warren, a nearly \$22 million project expected to create 350 jobs within six months.

But prior to lights and cameras, action is requested of city officials to approve a property tax break on Mound Road.

Krane Media is scheduled to produce five feature films annually, and each will have a crew between 125 and 135 members, according to documents filed with the city.

Through the H.B. Stubbs Company's building, Krane Media will ask the Warren City Council to create an Industrial Development District at the 272,000-square-foot facility at Mound and 11 Mile Road.

That designation is a precursor to a potential tax cut that, under state law, would slash the property taxes on building improvements and new equipment by 50 percent for up to a dozen years.

Krane Media was founded by chairman and CEO Jonathan D. Krane, who has produced full-length feature films for more than 35 years. Among his films, Krane was executive producer on "Face/Off," a 1997 film starring John Travolta and Nicholas Cage; and producer on "Swordfish" (2001) and "Look Who's Talking" (1989).

He is the author of the textbook "A Revolutionary Approach to the Art and Science of Moviemaking," and in 2005 founded Krane Academy film institute.

One of his most recent ventures is called The Edge, which involves the production, financing and distribution of 15 films a year.

While the tax break sought in Warren is reserved for industrial manufacturing, it's not immediately known whether Krane Media will seek tax credits from the state for its anticipated film or television work.

The Michigan Film Office last week was unaware of any new movie studios pending for Warren, a spokeswoman with the department said. But Michelle Bagnocche, communications advisor for the state office, said film or television productions interested in Michigan's best-in-the-nation tax credits do not necessarily have to contact the state first.

"In most cases, the film office would be involved at some point in the process," she said.

At the Macomb County Department of Planning and Economic Development's film office, Maria Zardis, principal film liaison, confirmed that a movie studio project was in the works in Warren, but she declined to elaborate, saying negotiations were continuing on costs, financing and access to infrastructure.

"If it happens, we're going to shout it from the rooftops," Zardis said.

According to Warren city records, an estimated \$13.6 million would be spent on film production equipment and office furnishing.

Another \$8.1 million would go toward construction of production and other areas, including two green rooms estimated at \$250,000 each; a cafeteria extension and

“private dining area for stars” valued at \$750,000; and a guard house and landscaping at \$500,000.

A public hearing on the industrial development district proposal is scheduled to be held at tonight’s Warren City Council meeting, which begins at 8 p.m.

Macomb County increasingly has attracted attention from the motion picture and television industries in recent years. Last week, the ABC crime drama “Detroit 1-8-7” taped scenes in Mount Clemens and Clinton Township. In 2009, scenes for the remake of the movie “Red Dawn” were shot in Mount Clemens.

While proponents of Michigan’s tax credits tout that production helps diversify the state’s economy and is a boost to local businesses, skeptics argue the incentives have not created enough new, long-term jobs.

In Clinton Township, officials earlier this year announced plans for a \$20 million multi-use film studio planned for 26 acres of vacant land near Groesbeck Highway and Elizabeth Roads.

The project – a partnership between Vanir Entertainment, Baker College of Clinton Township, Michigan Economic Development Corp., and the Macomb County Film Office – would be the site for future movies, television shows, commercials and music videos. However, the production team has been forced to place its plans on hold due to finances and it’s not clear when the studio may come to fruition.

Staff Writer Mitch Hotts contributed to this report.